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ABSTRACT

Perspectives on corporate support of higher education are considered by three business executives. Introductory comments are presented by Raymond C. Johnson, of the Council for Financial Aid to Education, an organization that encourages increased voluntary support of higher education, especially by business, through advertising campaigns, consultation services, research on educational philanthropy, and information dissemination. John T. Fey of the Equitable Life Assurance Society of the United States considers the complex financial problems confronting colleges and universities and the crisis in private higher education based on declining student enrollments, rising costs, and changing patterns of enrollments (nontraditional students and shifts in educational specialties). Stephen H. Fuller of General Motors Corporation suggests that in the present state of high inflation and energy crisis industry should help higher education by providing financial aid, professional expertise, and cooperative job opportunities or other work experiences for students. In turn, higher education should strive for excellence in its endeavors, should have a strategy for maintaining its goals, and should effectively manage its resources. Robert L. Payton of Exxon Education Foundation offers some suggestion regarding fund raising for colleges and universities. It is noted that many companies have guidelines for their contributions and that the amount of information about corporate and foundation giving is greater than it has ever been. (SW)

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The Corporate Stake in Higher Education: An Underdeveloped Potential

Addresses by

John T. Fey, *Chairman*

The Equitable Life Assurance Society of the United States

Stephen H. Fuller, *Vice President*

General Motors Corporation

Robert L. Payton, *President*

Exxon Education Foundation

A Panel Presentation of the
Council for Financial Aid to Education, Inc.
at the 60th Annual Meeting of the American Council on Education
Washington, D.C. October 13, 1977

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A 25th Anniversary Publication

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The Council for Financial Aid to Education (CFAE), a nonprofit service organization, promotes increased voluntary support of higher education by all sources, but especially by the corporate community.

CFAE was founded in 1952 by five prominent business leaders, the chairmen of United States Steel, General Motors, Exxon, Container Corporation and Armstrong Cork. The chairmen were Irving S. Olds, Alfred P. Sloan, Jr., Frank W. Abrams, Walter P. Paepcke and Henning W. Prentis.

CFAE staff members call personally upon hundreds of top-echelon businessmen every year to explain the financial needs of higher education and to enlist corporate support in meeting them. CFAE also conducts seminars and offers counseling services for corporate and college administrators. It publishes an annual report on voluntary support received by colleges and universities, an annual report on corporate support of higher education, special studies in fields related to educational philanthropy, "How to . . ." manuals and other materials designed to broaden the base of educational support.

CFAE sponsors the nationwide public service advertising campaign, "Give to the college of your choice," through the Advertising Council. This campaign has elicited as much as \$25 million worth of free time and space from the media in a single year.

CFAE itself neither solicits nor disburses funds for higher education. Originally funded by four major foundations—the Carnegie Corporation of New York, the Ford Foundation, the Rockefeller Foundation and the Alfred P. Sloan Foundation—CFAE now draws its support from more than 375 leading American corporations. In this, its twenty-fifth anniversary year, CFAE is calling for a national reaffirmation of the importance of higher education to the future of our country and a rededication to meeting more of the needs of our colleges and universities through voluntary support.

This publication was made possible through a grant from the Ford Foundation.

The Corporate Stake in Higher Education: An Underdeveloped Potential

Introduction

Raymond C. Johnson, President
Council for Financial Aid to Education

The Corporate Stake in Higher Education

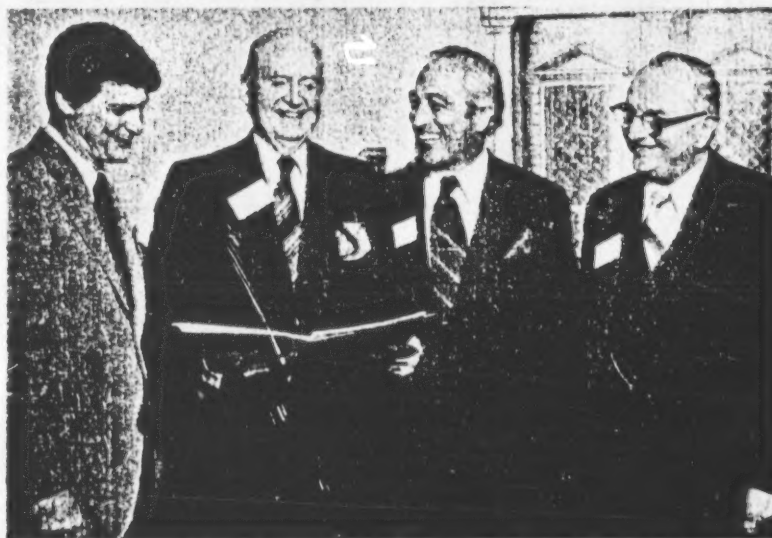
John T. Fey, Chairman of the Board
The Equitable Life Assurance Society
of the United States

Corporation and College: What Expectations Can Each Have of the Other?

Stephen H. Fuller, Vice President
General Motors Corporation

"They Say You Can't Do It, But Sometimes That Doesn't Always Work"

Robert L. Payton, President
Exxon Education Foundation



The panelists at the ACE meeting in Washington, D.C., left to right: Robert L. Payton, president of Exxon Education Foundation; Raymond C. Johnson, CFAE president; John T. Fey, chairman, Equitable Life Assurance Society; and Stephen H. Fuller, vice president, General Motors Corporation.

The American Council
on Education
Salutes the
Council for Financial Aid
to Education on
its 25th Anniversary

AMERICAN COUNCIL ON EDUCATION
ONE DUPONT CIRCLE
WASHINGTON, D. C. 20036

OFFICE OF THE PRESIDENT

October 13, 1977

Raymond C. Johnson, President
Council for Financial Aid to Education, Inc.
680 Fifth Avenue
New York, New York 10019

Dear Mr. Johnson:

I want to take this opportunity to congratulate the Council on its twenty-fifth anniversary as a valued friend of higher education.

Although our belief in the principles of higher education is unshakable, we must also have the confidence of the public if we are to do our best. For the last twenty-five years, the Council has acted as higher education's good-will ambassador, promoting our cause across the country and encouraging voluntary and corporate support.

Never before has it been more important to provide encouragement and ideas for corporate giving or to counsel colleges on how best to present their case for voluntary support to potential donors. We in higher education have long been aware of your vital contributions; even so, I was amazed to learn that in the Council's twenty-five years, more than \$30 billion in voluntary support has been given to our nation's colleges and universities. We salute you and your continued work to preserve the diversity, the freedom, and the excellence of our system of higher education.

Sincerely yours,

J. W. Peltason
J.W. Peltason

Introduction

by Raymond C. Johnson, *President*
Council for Financial Aid to Education

It is my pleasure to chair this special session on the corporate stake in higher education, and I bid you welcome to what we hope will be a highly productive meeting. On behalf of the CFAE, I should like to express our appreciation to the ACE for inviting us to present this special session at its annual meeting on the occasion of our 25th anniversary.

My role here this afternoon is to introduce to you three outstanding business executives, each of whom is going to explore some of the reasons why corporations have a stake in higher education and why they feel that it is still an underdeveloped potential. In doing so, I am sure they will provide some valuable insights on the question of increasing corporate contributions to your institutions.

For those of you who are not familiar with the CFAE, let me say simply that it is our purpose to encourage increased voluntary support of higher education, especially by business. We are perhaps best known to the world at large by the public-service advertising campaign we sponsor through the Advertising Council, which features the slogan "Give to the college of your choice." In addition to this advertising, we provide a consultation service to corporate management aimed at increasing the quality and quantity of corporate financial support of higher education. We also do research in the field of educational philanthropy and publish a variety of material designed to stimulate more voluntary support of higher educational institutions.

Those of you who were at today's luncheon meeting know that this is our 25th anniversary year. If you take a good hard look at what has happened to corporate support of higher education in the past 25 years, you might be justified in wondering why we refer to it as *underdeveloped*. The fact is that total corporate financial aid to education has risen from roughly \$60 million in 1952 to what we expect will be about \$600 million in 1977. This tenfold increase in corporate giving to education is greater than the growth of corporate profits before income taxes. As a percentage of pretax profits, corporate support of education is now more than double what it

was 25 years ago.

Despite this fine record, we feel we are on strong ground in saying that the corporate stake in higher education is an underdeveloped resource. At the outset, it should be noted that education accounts for between 35 and 40 percent of *total* corporate contributions for all purposes. And total corporate contributions amount to only about 1 percent of corporate profits before income taxes. Contrast this with the 5 percent allowance for contributions that is permitted by the Internal Revenue Code, and it is evident that there is room for expansion. Let me assure you that we are not being visionary in saying this, for in 1970 the federal income-tax file indicates that some 30,000 companies—about 3 percent of all companies reporting a profit in that year—actually gave at the 5 percent level. And more than 70,000 companies contributed 2 percent or better, the target the Filer Commission recommended for the corporate community to attain by 1980.

So you can see there is still a lot of underdeveloped potential out there. One can play all sorts of interesting mathematical games with the numbers. For example, if you could raise \$1,000 from each of the companies that gave absolutely nothing in 1970, you would collect a total of nearly \$900 million. This is one-and-a-half times the amount of corporate aid to education that we actually expect to see this year.

In more realistic terms, it is very possible for the academic community to persuade the business world that it should invest much more in education than it is now doing. It will, however, require effort and determination and knowledge on your part to achieve significant progress. We were somewhat startled last year to discover that out of some 1,700 colleges that had participated in the annual *Survey of Voluntary Support of Education* over a recent seven-year period, only 1,154 had reported receiving any corporate support whatever, and many of those received very little. It is hard to know for certain why this state of affairs existed, but we suspect that many institutions either failed to ask for corporate support or asked ineffectively.

Let me assure you that the time is ripe for greater effort on your part and that prospects are good. There is evidence that the corporate attitude toward educational support is improving. More leaders of major corporations are taking a personal interest in corporate giving than ever before. And the corporate community is hungry for an opportunity to establish closer relationships with colleges and universities.

The evidence is in our recent publication *Interface: Growing Initiatives Between the Corporation and the Campus Toward Greater Mutual Understanding*. We were motivated to publish this book by what we heard in our conversations with several hundred business executives. There is a desire on their part for greater corporate involvement in higher education. They want more oppor-

tunities to learn about academic concerns, they are anxious to exchange views with those on campus, and, more generally, they seek to participate in building a bridge of understanding between the corporation and the colleges.

As we see it, there is a challenge for you to exploit this growing corporate interest in higher education. Some of you may feel that the amount of corporate support, actual or potential, is not very large, especially in view of the growth of your budgets and the magnitude of your fiscal problems. But I would remind you that corporate dollars are probably the "free-est" dollars you can get today. A third of corporate giving is *unrestricted*, and much of the rest is restricted only in the broadest sense—such as support for the business school, for engineering research, for new library books, or for student aid.

A year ago, Louis Harris and Associates did a study for us on the relevance and effectiveness of corporate support of higher education. Some 750 college and university people were interviewed—both administrators and faculty members—and we were quite surprised to discover how much more business funding was preferred to government funding. By a margin of 72 percent to 16 percent, those interviewed said they would prefer increased dependence on corporate money rather than government money. The reason given most frequently was that corporate dollars came with fewer strings attached. Government funding implies control, regulation and restriction. Corporate support, generally speaking, does not.

Your presence here today implies that you are interested in learning something that will help you to harvest more of this potential corporate gold. Today's speakers are well qualified to suggest some of the important things you should think about, for all of them have held high rank in both the academic and corporate worlds.

Dr. John Fey was president of the University of Wyoming, then president of the University of Vermont, then president of the National Life Insurance Company of Vermont. He is now chairman of the board of Equitable Life, the third largest life insurance company in the United States.

Stephen H. Fuller was a member of the faculty of the Harvard Business School in 1947, a full professor in 1961, and associate dean in 1964. On leave from Harvard, he served as president of the Asian Institute of Management from June 1969 to July 1971. He joined General Motors on November 1, 1971, as vice president in charge of personnel and development.

Robert L. Payton has served as president of C. W. Post College and later Hofstra University. From 1967 to 1969 he was the U.S. ambassador to the Federal Republic of Cameroon. He was appointed president of the Exxon Education Foundation on March 1 of this year.

The Corporate Stake in Higher Education

by John T. Fey, Chairman of the Board
The Equitable Life Assurance Society of the United States

I approached this little talk with a sense of hope and regret—hope because I see an increasing recognition of the worthwhile purposes served by corporate support to education; regret because circumstances prevent me from taking part in the discussion following these few thoughts.

I've chosen as my theme "The Corporate Stake in Higher Education." It was not my purpose to belabor the obvious: it should be abundantly clear that corporations have a substantial stake in higher education. Is there a person among us who hasn't in some way benefited personally from college or graduate studies? Or even more to the point, where would we, our businesses, be today without the marvels of technology, the advances in science, medicine and the arts that so often owe their origins to the training and research that take place in our great academic institutions?

No one seriously questions the vital connection between business and education—the good, hard economic reality of the benefits that flow from our centers of higher learning to the world of commerce and industry. It's a concept akin to Motherhood. But if we examine the relationship somewhat more closely, we find that there is a good deal more than just "bottom-line" interest that should motivate business to accept the importance of its support obligation to higher education.

Before getting into that, however, let's take a look at some of the problems facing colleges and universities in recent years.

I. The Problems of Colleges and Universities Are Complex Financial Problems

To put it mildly, the world of public and private higher learning is in deep financial trouble.

- The much-heralded Carnegie Study released in 1970 only confirmed what many of us already knew too well: the undercapitalized expansion and rapid growth of the early '60s coupled

with a slowdown in student enrollment and constantly rising costs had conspired to create fiscal crisis in many an over-extended institution.

- Tuition, which covers only 17% of costs in public institutions and 59% in private institutions, has had to go up—leaving many worthy aspirants, unable to scratch up the money, out in the cold. Even so, even an “acceptable” rise in tuition has been no match for the increasing financial burden of the institutions. Just by way of illustration, over the five-year period 1972-1977, the average annual tuition charges at private colleges and universities went up more than \$1,100, a rate between 2% and 6% *higher* than the consumer price index (CPI) advance over the same period. This trend continues with no sign of abatement.
- Colleges, which had become accustomed to their liberally funded research activities, community and public services and generous scholarship programs, rather abruptly have found themselves short of the means wherewith to sustain these activities at prior levels.
- The cost of graduate education, already high, especially in the case of medical education, has continued to drift even higher. A rough estimate puts medical-school-tuition expense currently at about \$40,000 for a four-year course at a private school.
- The changing patterns of enrollment and continuity of the student population have complicated the task of college planners who have been hard pressed to predict program needs. Similarly, the shifts in public attitudes and emphasis which bear directly on what the college can or should provide have added to the problem of planning and forecasting, e.g.
 - adult education and second careers
 - trend toward more highly educated women in the work force
 - shifts in favored educational specialties
 - problem of bringing in more minorities with concomitant remedial measures to correct inadequacies in secondary school preparation
 - demographic trends and uncertainties of funding sources (private and government).

In searching for some of the reasons behind these difficulties, we find perhaps a touch of disenchantment in the public mood—an erosion in the popular faith in the power of education to improve society, to reduce income inequality and to break down social stratification. The heavy educational expenditures by government during the heyday of the Great Society have been viewed by some

as having had little beneficial effect on the performance of students (declining standardized test scores), their rather bad behavior during the '60s and the relative social position and salary advantages of college graduates. In short, the great progress toward a more just and fulfilled society that education was supposed to activate never really came to pass, and never mind that this may have been too much to lay on education's doorstep in the first place. The voters, with some justification, felt that they had been shortchanged, and education has consequently come to occupy something less than its former exalted status on the legislative appropriations agenda, as well as in the minds and hearts of its potential beneficiaries.

II. The Crisis in Private Institutions

To a greater or lesser extent, these uncertainties and hard realities have plagued all our institutions of higher learning, both public and private. The brunt, however, has generally been borne by the private institutions, which must depend on tuition, gifts and endowments for 85% of their income, in contrast to public colleges, which derive 80% of their income from federal, state and local governments.*

In his book, *Funds for the Future* (1975), J. Peter Williamson cites some sobering statistics on closings of colleges. Prior to 1967, there were few closings; but then the number rose rapidly reaching a high of 44 in 1971-72. Lately, the rate of closings has dropped dramatically, but during the crunch, most of the institutions closing down were private. Economic reversals and the stock-market decline of recent years have had a deleterious effect on the private schools, whose income and investment results have been correspondingly depressed. The "tuition gap" between public and private colleges has also been regarded as one of the central factors involved in the rapid decline of the private colleges. Private tuition averages from three to five times the tuition for public four-year colleges and universities, and the difference is growing. The result, of course, has been to diminish severely the share of total enrollment held by private institutions. Some of the more pessimistic forecasters have suggested that continuance of current trends may soon cause private education to price itself right out of the market.

I think we all would agree that such a result cannot be permitted to occur. But before uncritically concluding that such a result is unacceptable, we should ask ourselves, first, whether the value of private higher education continues to justify its existence; and second, why business should have a concern.

*Carnegie Commission on Higher Education, *Higher Education: Who Pays? Who Benefits? Who Should Pay?* (1973).

III. The Value of Private Higher Education

As to the first inquiry, the evidence available should convince the skeptics. According to Williamson, every recent study of higher education has endorsed the importance of private higher education. For instance, the 1973 Report of the National Commission on the Financing of Postsecondary Education identified *three* objectives for higher education that are well served by private institutions. The *first* is student access:

Each individual should be able to enroll in some form of postsecondary education appropriate to that person's needs, capability and motivation.

The *second* objective sounds an even clearer call for private institutions:

Postsecondary education should offer programs of formal instruction and other learning opportunities and engage in research and public service of sufficient diversity to be responsive to the changing needs of individuals and society.

The National Commission included institutional independence as the *third* special value of private education:

Institutions of postsecondary education should have sufficient freedom and flexibility to maintain institutional and professional integrity and to meet creatively and responsibly their educational goals.

Both public and private institutions are subject to pressures, some good and some bad, from outside and from inside. But the pressures differ and the dissimilarities assure the distinctive contribution of private institutions to higher education.

If private institutions are to provide a variety of choice, diversity and institutional independence, it is obvious that they must be financially secure and not overly dependent on revenues from any one source. This goal would not be easy to achieve even in good times; but in a period when the financial prospects for all higher education seem so uncertain and the temptation to turn to government sources of revenues so great, it becomes even more difficult.

If what I have just said implies that business should be any the less concerned about the difficulties facing *publicly* funded higher education, please let me correct the impression. Both public and private schools are financially troubled. Both contribute to a system wherein the widest possible choices are available for students. The influence of private institutions enriches *all* education, and our society—the world in which we do business—can ill afford the decline or extinction of either element in this uniquely productive dual system.

IV. Why Business Has a Concern

a. The Business Self-Interest Rationale

Why should business be concerned? What is our stake? Early on I demonstrated that there is an obvious "bottom-line" stake. As Milton Eisenhower of Johns Hopkins once said, "Higher education and business are basically interdependent. One needs money to produce educated people, and the other needs educated people to produce money."

- Notwithstanding the skeptics, economic studies time and again have confirmed the role of higher education in the growth of individuals and the nation. Brookings' scholar Edward F. Denison has produced some landmark studies in the past decade and a half which convincingly identify the respective contributions of increased education of the labor force and new knowledge gained from university research toward national economic growth.
- Business obviously has great need for skilled persons, and these are recruited from colleges and universities.
- Business also has a great need to develop improved communication and understanding between colleges and itself.
 - The economic basis of business must be understood.
 - The corporate charter is granted at the pleasure of the legislature and the people. If business is to operate successfully—indeed, even to exist—it must justify itself in the eyes of the public.
 - Business needs the understanding and support of institutions and their graduates.

b. Common Social Concern

While we could play up this self-interest connection for all it's worth, there are plenty of other reasons for fostering continued and increased corporate support of higher education. As I hinted at the outset, the educational stake of business can't be measured in profits alone. The state of our society provides perhaps an even more compelling reason. The major social problems—be they urban decay, crime, poverty and equality—are too huge for any sector of our society to "go it alone" in solving. Government alone can't do it, as the programs of the '60s have proved. The private sector can't handle it—some things are simply beyond the competence and resources of business. What is needed is the joint support of business, government and educational institutions, working together toward common solution of the social ills that afflict us. This is a big package, and novel approaches are being designed by such outstanding institutions as Columbia, Wharton and Stanford. We in business should support and cooperate with these efforts in a

partnership that brings into play the powers of government, the wealth and talents of business and the sophisticated research and planning of our institutions of higher education.

c. The Value of Education Qua Education

Finally, while I've concentrated rather heavily on what education can do for business, we shouldn't ignore the other side of the coin. After all, it's one thing to give but quite another to specify how the gifts should be used. I would hope that in business's support of education, due respect is accorded the absolute necessity of educational integrity and independence.

Schools must be permitted to maintain a certain autonomy even in the face of the current financial crisis. In the long run it is counterproductive to bend curriculum or otherwise shape educational purposes in terms of business needs. The history of support reflects this, and there is no reason to expect that this will change. At times there are great temptations for business to externalize its costs—of training, research; of allocating people to work roles; of testing, licensing, credentialing—to the university. This should not be allowed; it is expensive for the university and can pervert its aims.

I said before that business needs the understanding of the educational community, that a greater degree of communication is needed. But communication is a two-way street, and business must also understand the value of liberal education—or any education. In contrast with the rather limited purposes of business, the purposes of education are manifold and deserve support regardless of either their being consistent with business objectives or their being understood by business leaders. Mind you, this is not an endorsement of campus anarchy or educational irresponsibility, but merely an appeal for a special appreciation of the value of educational independence and of the goods that arise therefrom which aren't very easily measured by traditional economic standards.

V. What Business Can Do

Most critical and immediate, of course, are the financial needs. Studies show that business contributions to education have been on the increase, but as a proportion of pretax net earnings, the track record could be better. According to the joint survey of corporate contributions in 1975 conducted by the Conference Board and the Council for Financial Aid to Education, the corporate contributions to all categories of beneficiaries totaled slightly less than the year previous (which probably reflects the profit decline for the period), and education received virtually the same portion of the gift dollar in 1975 as in 1974 (35.1% compared with 34.9%). In reviewing the allocations, I was concerned to see that unrestricted grants to higher education dropped slightly from 1974 (6.9% to

6.7%) although there was a compensating increase in departmental and research grants (5.2% to 5.4%) which probably reflects increased corporate emphasis on specific academic programs.

Business can do a good deal better, especially in the light of higher profits realized over the past two years. I would urge that business launch a two-pronged effort a) to raise the levels of *financial* support to higher education, especially in the unrestricted grants area, and b) to consider innovative ways to provide "in-kind" support:

- Reach out through nontraditional channels to less "business-specialized" scholars and find mainstream jobs for them in business that have "comparability-of-function" or "skill-parallel" aspects (e.g., historians as investment analysts; musicians as computer specialists; teachers as salesmen, trainers and administrators).
- Business could be more creative in providing facilities for universities. Equitable, for example, has cooperated with Pace University and Marymount Manhattan College in a program where certain classes are taught at the Equitable Home Office building in midtown Manhattan.
- Joint programs, business and academic people "in residence" can help. Equitable has had a good deal of experience with this—we're looking into the "academic-in-residence" idea now.

In conclusion, business can help higher learning in many ways—it can be more inventive in helping people attend and in raising financial support. We really have no choice if we wish to continue to enjoy the manifold benefits of education in our society.

Corporation and College: What Expectations Can Each Have of the Other?

by Stephen H. Fuller, *Vice President,
Personnel Administration and Development
General Motors Corporation*

Today I would like to discuss those expectations that two great social institutions may legitimately have of one another—institutions with distinctly different roles in society but with great and significant areas of mutual interest and with many common elements in their recent history. Under such circumstances, it is not unreasonable to suggest that the parties can come to a mutual agreement on their expectations of one another and arrive at a sense of common purpose which can benefit not only both of them but the nation as a whole.

First, let me review the common experiences of industry and education since World War II—experiences which should give us a basis for building effective relationships. For a considerable period after that war, we both enjoyed “sellers’ markets.” We had more customers than we could easily supply; we were surrounded by reassuring sounds of expansion and development.

Then, as the winds of social change began to stir up the dust of our traditional bailiwicks, we found ourselves faced with unaccustomed demands, untraditional customers, uncertain markets and a growing body of government regulation—all of which impinged upon our internal operations.

As the tempo of these changes accelerated, much of our earlier sense of “family” or “collegiality” in organization gave way to a new factionalism which made organizational administration unprecedentedly difficult. Even as the worst of the turmoil began to subside, we were suddenly confronted with the hard realities of galloping inflation and the energy crisis, coupled with the prospect of a declining world market for *all* our services and a stagnation in the economy generally.

As of now, we are *both* faced with a lesser share of a smaller pie. Our only salvation in such a situation is to be sure that the quality of the pie is damned good!

What Can Education Expect from Industry?

Given this condition of affairs, what can education legitimately expect from industry? It can expect industry to help insure the high quality of the pie with financial aid where it is available, with professional expertise where it is helpful, with cooperative job opportunities, internships and other work experiences for able students where these are needed.

Education can expect, also, that such support will not presume changes in the nature or the philosophy of an educational institution. Industry understands the need for bodies of self-governing scholars who make their *own* decisions in the light of their institutional purpose.

We subscribe wholeheartedly to the principles set forth by Margaret Hennig and Anne Jardim in their recent best seller, *The Managerial Woman*, that true leadership must be preceded by learning to "trust in, depend on and delegate to" others of demonstrated competence. In recognizing these rights—indeed, these *obligations* of education—we are also declaring that industry understands the role of dissent in education as well as the multiplicity of functions fulfilled by educational institutions.

We do not correlate "education" with simple vocational or "skill" training. Industry has use for a variety of educated persons. We recognize, also, education's right to expect industry to use your product—the graduates of your institutions—in a responsible way. It is our intent to continue what you have begun and to help your graduates to grow and develop to their full potential in the world of tomorrow, now being called "The Learning Society." Such an intention insures that we will share the areas of your social concern.

What Can Industry Expect from Education?

And what can industry legitimately expect from education? Having shared with you the many headaches of management in our time, we are keenly aware of the need for each organization to re-examine and reconfirm its purpose; to establish priorities for itself; to reject trying to be "all things to all people"; and, instead, to seize the reality of doing certain limited things well.

In short, industry can expect you to manage with what Whitehead called "the habitual vision of greatness" striving constantly for your own unique excellence. "Excellence" in our time has become in some circles a "dirty word," correlated with "elitism." To insist on "excellence" is to be "antidemocratic," to foster inequality, even to be "un-American."

Congresswoman Barbara Jordan emphasized some very unfortunate results of such thinking in a speech at Boston University last June when she received an alumni award. She said in part, "We have been so brainwashed by an erroneous definition of democracy

that we (in Congress) have difficulty prescribing any program or formula, or giving any grant which is better or more than some other grant, because we do not want to be accused of being anti-democratic. . . . As members of Congress, we should not be engaged in a leveling process. We ought to enunciate and promote those policies which would lead absolutely, categorically, and without hesitation to the best this country has to offer."

Such striving for excellence will force you continuously to review your institutional purpose and to recommit yourselves to those goals that you know to be right and essential for you—while, at the same time, discarding the unnecessary, the irrelevant and the unworthy.

We can expect you to join the modern crusade to learn to manage by *objective*, not by *crisis*—to have a strategy, a plan for maintaining and advancing your goals. In short, industry can reasonably expect you to manage so that such resources as it may be able to commit to you, such sacrifices as parents may be prepared to make to send you students, and such support as alumni and friends may strive to provide for you will all be used with maximum effectiveness to attain your goals.

Such effective employment of the resources you *have* can only bring more support from more sources and greater opportunities for fulfilling your mission.

Education and Industry Must Work Together for a Better Society

Industry can also expect that you will continue to be—as you have been so often in the past—innovators, path-finders, experimenters—and I do *not* mean only in the sciences and technology. Many of the thorniest problems in industry today are those upon which the social sciences, psychology, philosophy and history can throw great light. In matters of affirmative action, for example, we are largely involved with changing *attitudes* which, in turn, will change behavior in a kind of circular pattern.

Our need to eliminate certain traditional attitudes toward women and minorities as managers is as great and as immediate as our need to provide these groups with the skills needed to perform management jobs well.

In the current issue of *The Chronicle of Higher Education*, Edwin Delattre of the National Humanities Faculty in Concord, Massachusetts, writes, "When a person studies the mechanics of internal combustion engines, the intended goal is that he should be better able to understand, design, build, or repair such engines, and sometimes that he should be better able to find employment because of his skills—and thus better his life. These are no mean goals.

"When a person studies the humanities, the intended result is that he should be better able to understand, design, or repair a

life—for living is a vocation we have in common despite our differences.

"A realist is not a cynic, but rather a person who respects factual knowledge and its uses and is, therefore, effective. An idealist is not a fool, but rather a person who recognizes that factual knowledge is not enough to live a life. When we achieve both, then knowledge and principle inform our ordinary commonplace behavior and thought. . . . It is in this sense that the study of the humanities is said to make life good."

And, so, in our common desire to "make" life good, we have the right to ask you to identify the problems of our society early and to point the way to possible remedies. If you will be the laboratory, we will be the clinic.

There is a kind of confusion about the basic tenets of our American Declaration of Independence. We talk about "equality" and "liberty" as if they were synonymous. It has more accurately been said that "equality" is *people enjoying common rights*; while "liberty" is the *individual's use of these rights to achieve a particular goal*. If our society is to enjoy both, education and industry must walk hand in hand.

"They Say You Can't Do It, But Sometimes That Doesn't Always Work" *

by Robert L. Payton, *President*
Exxon Education Foundation

Some approaches to raising funds from corporations are guaranteed to work—sometimes. I've known fund raisers who never seemed to vary their routine: find the closest approximation of a contributions officer and ply him with alcohol. Match him, drink for drink.

Others never get far enough from the office even to do that, and instead send letters—form letters, addressed "Occupant"—to everyone in whatever directory comes to hand.

Others cultivate influence—find one of your trustees who knows a director of a corporation, and let nature do its work.

Still others run greater risk by trying to trade the prestige of trusteeship for a grant or two; bring a corporate executive onto your college's board of trustees but assure him first that you don't want him to help with fund raising, that you just want his advice.

Almost everything works sometimes, and that includes all of the above. But as corporate philanthropy has become larger in scope and importance it has taken on other qualities that presidents, trustees and development officers should bear in mind.

Comparing my days in development more than a decade ago with my recent introduction to the other side of fund raising, many things have changed for the better.

Corporate philanthropy is much better organized. The Council for Financial Aid to Education and the Conference Board, on one side, and CASE and others on the other side have by now spread a great deal of information around about how fund raising from corporations ought to be done.

There are more corporate executives paid to know something about the varieties of programs as well as institutions that might

*Casey Stengel.

qualify for support. There is a great deal of watching and noting what other companies are doing—just as *The Chronicle of Higher Education* reports regularly on how other colleges are doing.

More companies than ever have guidelines for their contributions programs, and although many don't publish them you shouldn't assume that guidelines don't exist.

Corporations are sensitive to stockholder criticism, and general reporting standards reflect a far greater degree of openness than was true even ten years ago. The presence of outside directors often encourages that openness, but there is also a change in management attitudes.

The amount of information about corporate, foundation and corporate foundation giving is greater than it has ever been. The enterprising fund raiser will likely have too much information to absorb than too little. Not too long ago most of us depended on F. Emerson Andrews as the only dependable source; now we can add a whole list of periodic reports and other useful information.

Because there are professionals—in the sense of paid, full-time specialists—on both the fund-raising and the granting sides, the process is becoming more rationalized at every level.

Two maxims should be kept in mind:

—Intrasystem goals come first, and

—People don't buy Buicks because General Motors needs the money.

The first is drawn from *Systematics* by John Gall, and it reminds us that contributions officers have standards to be concerned with and channels of communication to respect. To bypass a contributions officer is to demean his role. Exercise caution, *his* intrasystem goals come before yours.

The second maxim comes by way of Joe Nyquist, erstwhile commissioner of education in New York and rabid collector of folk wisdom. It is the most succinct expression yet of the principle that egotism does not pay.

Conclusion: Corporate giving is often rational, disinterested, even well informed. You can never be *sure* that that is the case, but it is a safer and wiser assumption than believing corporate giving is venal, self-serving, uninformed and whimsical.

Having been forced to convert sow's ears into purses myself at one time or another, I know only too well the pitfalls of hyperbole. So I caution you to adopt a Vince Lombardi attention to fundamentals. Prepare your case so that it can stand on its own merits even without oral argument:

- (1) Follow the guidelines if you can find out what they are.
- (2) Prepare a solid argument, in nontechnical language, with a carefully reviewed budget.

(3) Enlist the help of trustees *if* they're willing to become well informed. (An uninformed trustee is even less help than a letterhead trustee.) Don't, however, bypass the contributions officer.

(4) *Ask.*

There has been a great deal of change in corporate support of higher education during the quarter century of the Council for Financial Aid to Education. I came to my present role having known about Frank Abrams' key role in mobilizing corporate support before I knew the Exxon (then Esso) Education Foundation existed. Alfred P. Sloan and Irving Olds, cofounders of CFAE with Mr. Abrams, were also tall figures in those days.

The thrust originally provided by a relative handful of corporate executives has been sustained for 25 years. Leadership is now in the hands of a new generation of managers, some of whom were only beginning their careers when CFAE declared that the long-term well-being of higher education and of American corporations were related. In spite of the shocks that have been felt by both institutions in recent years, the argument still holds firm.

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